SECTION V. ECONOMIC DEVELOPMENT

A. INTRODUCTION

The Economic Development Section provides an overview of the current and future employment, as well as economic development related issues, particularly as relates to the expansion of the tax base as an element of the City's economic development strategy. Information is provided about the City's employment and unemployment characteristics as well as the City's fiscal and economic conditions. Projections of employment are provided through 2030. Goals and policies together with recommendations are set forth pertaining to economic development within the City of Concord.

B. ECONOMIC DEVELOPMENT GOALS

The overall goal of the Economic Development Section of the Master Plan is to provide the infrastructure, programs, financial support, and regulations to foster business expansion and attraction that will enhance the City's tax base, as well as provide employment, amenities, goods, and services that meet the needs of citizens of Concord and the residents of, and visitors to, the Central New Hampshire Region. The specific economic development goals are to:

1. Enhance the property tax base, either through strategic new development where appropriate, redevelopment, or a combination of the two.

2. Conserve the tax base by discouraging sprawl and the attendant inefficient dispersal of City services.

3. Retain, and encourage the expansion of, existing local businesses.

4. Promote the City's quality of life amenities which play an important role in attracting highly-skilled labor and professional businesses.

5. Focus the City's economic development efforts primarily on redevelopment of previously developed areas.

6. Maintain the City's historically low unemployment rate.

7. Address the issue of workforce housing as part of a cooperative regional effort.

8. To promote energy conservation and efficiency for economic development including the use of new technology; the reduction of the demand for heating fuel, electricity, and potable water; the reduction of the generation rate for sanitary and solid wastes; and the development of sites in a manner which minimizes adverse impacts on the environment.

C. CONCORD'S EMPLOYMENT IN 2000

1. Employment Has Been Increasing Faster Than Housing & Population

In 2000, the United States Bureau of Economic Analysis (BEA) estimated there were 42,104 jobs in Concord (Table V-1). At the same time, the US Census reported 20,337 employed Concord residents, which means there were more than 2.07 jobs in Concord for each employed Concord resident. By comparison, Merrimack County had 1.08 jobs for each employed resident and the State as a whole had 0.99 jobs per employed resident.

The number of jobs available in the City has been growing. While Concord's population grew by 34% between 1980 and 2000 and its housing stock grew by 39%, the BEA estimates the number of jobs in Concord increased by 52% in the same period of time. However, this growth in the number of jobs has been slightly lower than for Merrimack County (65%) and the State (57%).

Table V-1. Jobs per Employed Resident

Area and Year	Jobs Reported, BEA**	Jobs Reported, DOL *	Employed Residents	Jobs per Employed Resident (BEA)	Jobs per Employed Resident (DOL)
Concord					
2000	42,104	38,075	20,337	2.07	1.87
1990	34,559	29,276	17,890	1.93	1.64
1980	27,651	20,945	14,789	1.87	1.42
Merrimack County					
2000	76,482	69,164	70,851	1.08	0.98
1990	60,466	51,223	61,201	0.99	0.84
1980	46,248	35,031	46,810	0.99	0.75
New Hampshire					
2000	645,863	606,604	650,871	0.99	0.93
1990	532,066	471,978	574,237	0.93	0.82
1980	411,385	340,239	432,622	0.95	0.79

Sources: NH Department of Labor (DOL), US Bureau of Economic Analysis (BEA); US Census; Planning Decisions, Inc.
**NH DOL data includes all businesses reporting unemployment insurance payments, therefore excluding those that are self-employed*
***BEA data includes estimates of those that are self-employed*

2. Employment Profile

In 2000, service oriented jobs (for example health, legal, education, and business services) accounted for nearly 15,000 of the 39,028 estimated jobs in the city (or 37%) (Table V-2). Retail and government jobs each accounted for one-fifth of the city's employment, while finance/insurance/real estate (F.I.R.E.) accounted for 9%. Manufacturing (6%), wholesale (5%), construction (3%), transportation/construction/utilities (2%), and agriculture/forestry/fishing accounted for the rest of the city's jobs.

Compared with the State as a whole, Concord's employment profile was more heavily weighted towards the traditionally white-collar jobs (services, government, F.I.R.E.) with less emphasis on the blue-collar jobs (construction, manufacturing, transportation/communication/utilities).

Table V-2. Employment by Type for Concord & the State, 2000

	Concord		New Hampshire	
	#	%	#	%
Ag, Forestry, Fishing	191	0.5%	5,729	0.9%
Construction	1,250	3.2%	26,849	4.4%
Manufacturing	2,129	5.5%	106,376	17.6%
Trans, Comm, Util	932	2.4%	25,595	4.2%
Wholesale	1,745	4.5%	33,178	5.5%
Retail	7,505	19.2%	132,073	21.8%
F.I.R.E	3,440	8.8%	31,878	5.3%
Services	14,485	37.1%	213,814	35.3%
Government	7,351	18.8%	30,391	5.0%
Total	39,028	100.0%	605,883	100.0%

Source: NH Department of Labor, Planning Decisions, Inc.
Note: data excludes businesses whose employment data was suppressed for privacy
F.I.R.E. = finance, insurance and real estate

3. Concord as the Region's Job Center

Concord is the employment center of Merrimack County. More than half of the estimated jobs in the county in 2000 were in the city of Concord (Table V-3). The vast majority of the government jobs in the county were in Concord (85%), and the city had the majority of the county's F.I.R.E. jobs (71%), as well as retail and service jobs (60% each).

Concord's role as the employment center for the region means that a significant number of employees must commute into the city for work. According to the 2000 US Census, 35,887 commuted to Concord for work[1]. Of these, nearly 13,000 live in Concord, and the rest commute from surrounding communities. Of those commuting to Concord for work, Manchester, Bow, Pembroke, Hopkinton, and Loudon had the most residents (each sent more than 1,000 employees to Concord). Boscawen, Epsom, and Franklin each had more than 700 employees commuting to Concord (Figure V-1). Generally, the further the community is from Concord, the fewer residents commuted to Concord for employment. As Concord's role as an employment center strengthens, it is expected that commuters will fill a large share of the new jobs, thereby creating more demand on the local and regional transportation networks.

[1] Note that commuting data comes from a different source (US Census) from much of the employment data used in this report (New Hampshire Department of Labor). It is common to have the number of commuters be significantly lower than total employment figures derived elsewhere. Planning Decisions, Inc. found through other studies that the percentage of commuters, as opposed to the absolute number of commuters, is accurate between the two sets of data.

Table V-3. Employment by Type for Concord & Merrimack County, 2000

	Concord	Merrimack County	% of County Jobs in Concord
Ag, Forestry, Fishing	191	793	24.1%
Construction	1,250	4,169	30.0%
Manufacturing	2,129	8,135	26.2%
Trans, Comm, Util	932	2,254	41.3%
Wholesale	1,745	3,749	46.5%
Retail	7,505	12,607	59.5%
F.I.R.E	3,440	4,852	70.9%
Services	14,485	24,004	60.3%
Government	7,351	8,601	85.4%
Total	39,028	69,164	56.4%

Source: NH Department of Labor, Planning Decisions, Inc.
Note: data excludes businesses whose employment data was suppressed for privacy
F.I.R.E. = finance, insurance and real estate

4. Trades and Service Sectors of the City's economy

Of the 29,357 jobs in Trades and Services sectors of City's economy in 2000, approximately 5,250 were in the health services (Table V-4). Another 2,650 were in educational services and 2,100 were in eating and drinking establishments. Other large sectors of the trade and services sectors include social services, wholesale trades, insurance carriers, and various retail establishments (general merchandise, food stores, and miscellaneous retail).

Location Quotients (LQ) compare the relative strength of a sector (measured by its percent of the city's employment) with New Hampshire as a whole. A LQ of 1.0 means that a sector in Concord has the same proportion of jobs as it does in the State as a whole. A LQ greater than 1.0 indicates that there is a higher percentage of jobs in that employment center compared with the State as a whole, while a LQ less than 1.0 indicates that there is a lower percentage of jobs in that employment center compared with the State as a whole (see Table V-4 for an overview of Concord's location quotients).

5. Manufacturing and Public Administration Sectors of the City's economy

Two important sectors of Concord's economy that are not included in the above analysis are manufacturing and public administration. As is true for New Hampshire as a whole, Concord has experienced a dramatic decline in the number of manufacturing jobs in the local economy (Table V-5). Between 1980 and 2000, the share of manufacturing jobs declined from 22% of the City's jobs to 6% although there was some growth during the 1990s. This mirrors the drop at the State level. At the same time, jobs in public administration increased from 15% of the City's jobs to 19%.

For the period 1991 to 2000, the City's manufacturing sector was relatively strong primarily because increases in the metals, machinery and electronic equipment sectors offset losses in the printing/publishing and instruments sectors. Concord exceeded the State average growth in

Figure V-1.

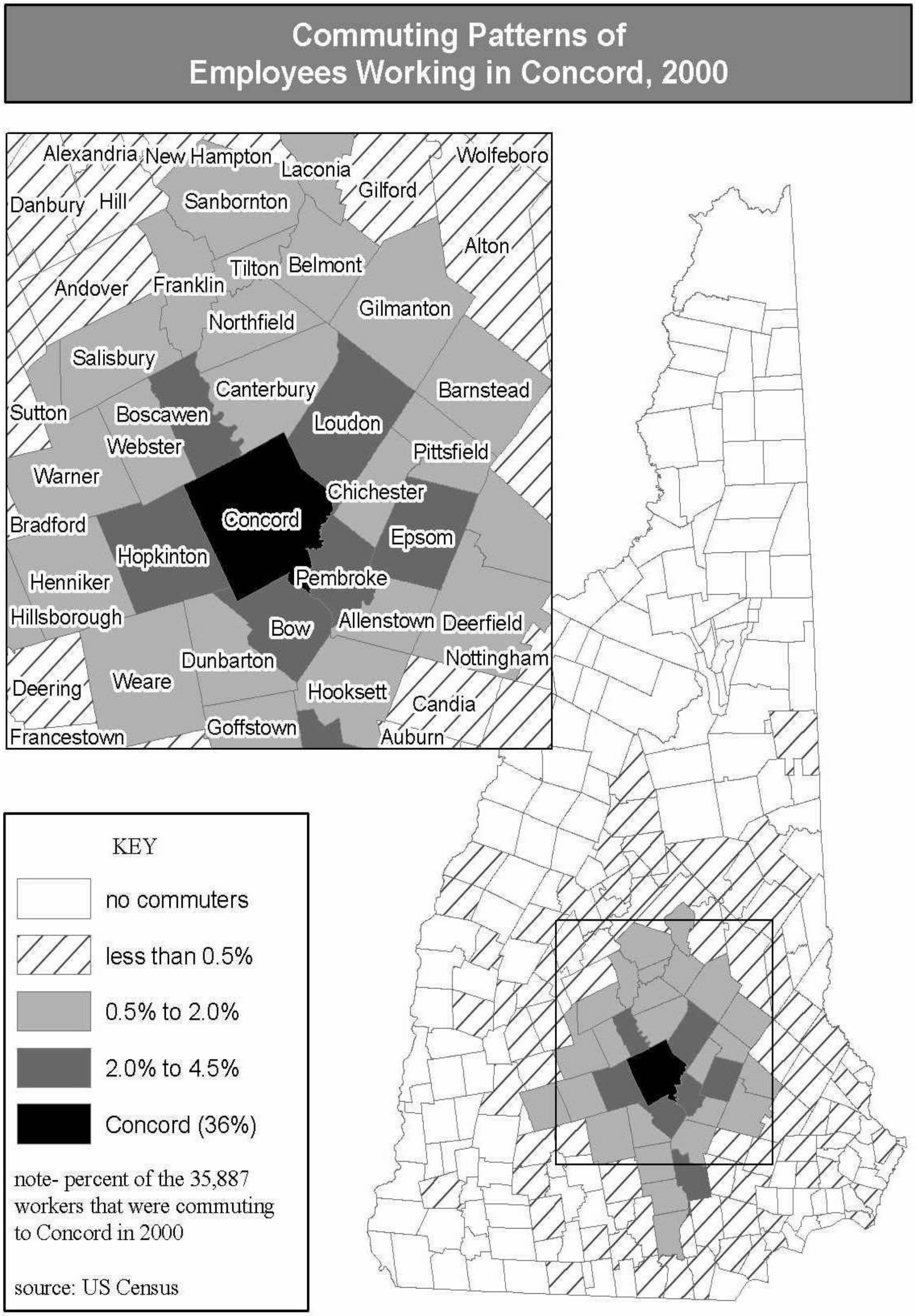

Commuting Patterns of
Employees Working in Concord, 2000
Alexandria
New Hampton
Laconia
Wolfeboro
Gilford
Danbury
Hill
Sanbornton
Alton
Tilton
Belmont
Andover
Franklin
Gilmanton
Northfield
Salisbury
Canterbury
Barnstead
Sutton
Boscawen
Loudon
Webster
Pittsfield
Warner
Chichester
Concord
Bradford
Epsom
Hopkinton
Pembroke
Henniker
Hillsborough
Bow
Allenstown
Deerfield
Dunbarton
Nottingham
Deering
Weare
Hooksett
Candia
Goffstown
Francestown
Auburn
KEY
no commuters
less than 0.5%
0.5% to 2.0%
2.0% to 4.5%
Concord (36%)
note- percent of the 35,887
workers that were commuting
to Concord in 2000
source: US Census

Table V-4. Concord Service Sector Location Quotient, 2000

	Jobs	Location Quotient
Transport'n/Communicat'ns/ Utilities	932	0.6
Wholesale Trade	1,745	0.8
General Building Contractors	115	0.3
Heavy Construction, Ex. Bldg	***838***	***3.2***
Special Trade Contractors	297	0.3
Bldg Materials & Garden Supplies	350	0.9
General Merchandise Stores	1,291	1.2
Food Stores	1,078	0.8
Auto Dealers/Service Stations	862	1.0
Apparel and Accessory Stores	286	0.8
Furniture and Home furnishings	310	0.8
Eating and Drinking Places	2,118	0.9
Miscellaneous Retail	1,210	0.9
Depository Institutions	689	1.6
Nondepository Institutions	181	1.8
Security & Commodity Brokers	96	0.3
Insurance Carriers	***1,403***	***2.5***
Insurance Agents/Brokers	395	1.6
Real Estate	603	1.8
Holding & Other Investment Offices	73	1.7
Hotels and Other Lodging Places	188	0.3
Personal Services	326	0.8
Business Services	901	0.4
Auto Repair/Services, & Parking	213	0.6
Miscellaneous Repair Services	***	
Motion Pictures	89	0.8
Amusement & Recreation Services	297	0.4
Health Services	5,249	1.6
Legal Services	***738***	***2.8***
Educational Services	2,644	0.8
Social Services	1,901	1.9
Museums/Art Gallery, Botanic/Zoo	***111***	***3.3***
Membership Organizations	***625***	***2.6***
Engineer/Accounting/Research	1,161	1.5
Private Households	42	0.7
Services, NEC	***	
Nonclassifiable Establishments	***	
Total Trade & Service Employment	29,357	

Source: NH Bureau of Employment Security ES 202 Covered Employment, Planning Decisions, Inc.
****represents data that cannot be disclosed because there are fewer than three firms in the sector or because one firm accounts for 80% or more of total sector output*

Table V-5. Manufacturing & Public Administration Employment

	Jobs in Concord			
	Manufacturing		Public Administration	
	#	%	#	%
Concord				
2000	2,129	6.0%	7,351	19.3%
1991	1,607	5.0%	5,085	17.2%
1980	4,689	22.0%	3,142	15.0%
Merrimack County				
2000	8,135	12.0%	8,569	12.4%
1991	7,057	14.0%	6,027	11.8%
1980	10,353	30.0%	4,204	12.0%
New Hampshire				
2000	106,379	18.0%	29,545	4.9%
1991	98,637	21.0%	24,250	5.1%
1980	116,595	34.0%	17,011	5.0%

Sources: NH Department of Labor (DOL), Planning Decisions, Inc.

Table V-6. Concord's Government Sector, 2000

	Establish.	Employment	Avg. Wage
Total Gov't	176	7,354	$659
Federal	23	528	$831
State	147	5,812	$651
Local	6	1,014	$616

Sources: NH Bureau of Employment Security ES 202 Covered Employment; Planning Decisions, Inc.

number of firms and total employment in the manufacturing sector over this period, but lagged the State average in growth of average wage in manufacturing. The City's government sector is over three times the size of its manufacturing sector, and added over 2,200 jobs over the period from 1991 and 2000. The bulk of the City's government sector is State government (Table V-6).

6. The City has a Low Unemployment Rate

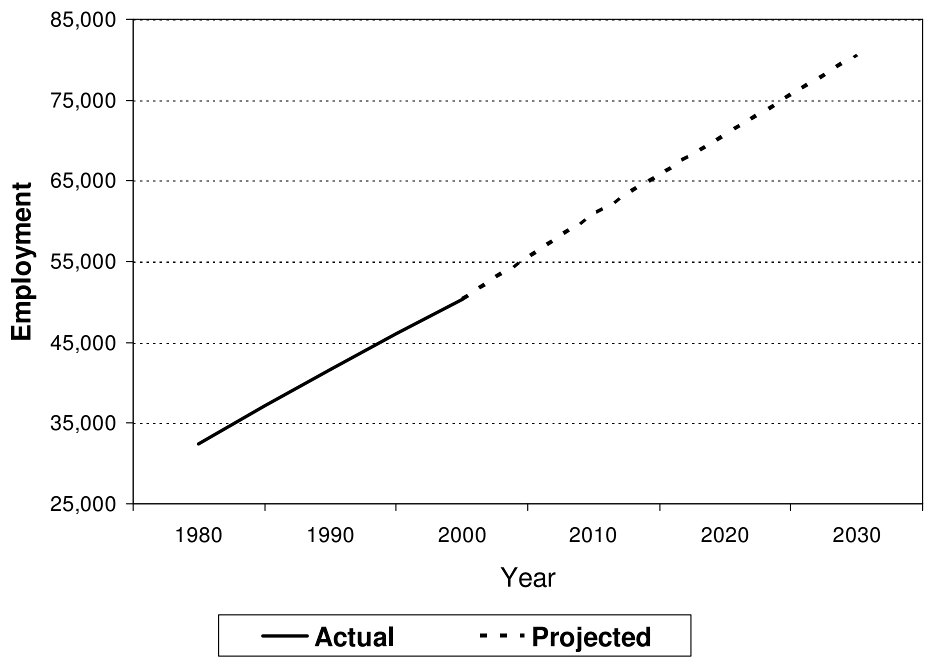
Historically, Merrimack County has maintained unemployment rates below those in neighboring Hillsborough and Rockingham counties as well as the overall State and nation. As shown in Table V-7, over a ten-year span, Merrimack County's unemployment has typically fallen roughly 1.5 to 2.5 points below corresponding rates in nearby counties, New Hampshire, and the nation. This range of disparity narrowed only in the late 1990s, when the booming national and regional economies lowered unemployment throughout the State and nation.

Table V-7. Unemployment Rates for Selected Areas: 1994-2003

	City of Concord	NH Counties Merrimack	Hillsborough	Rockingham	NH	US
1994	3.2%	3.3%	5.0%	5.7%	4.6%	6.1%
1995	2.6%	2.8%	4.2%	4.7%	4.0%	5.6%
1996	2.8%	3.0%	3.9%	5.0%	4.2%	5.4%
1997	2.4%	2.5%	2.8%	3.8%	3.1%	4.9%
1998	2.3%	2.4%	2.7%	3.6%	2.9%	4.5%
1999	2.0%	2.1%	2.7%	3.2%	2.7%	4.2%
2000	2.0%	2.2%	2.6%	3.4%	2.8%	4.0%
2001	2.4%	2.6%	3.8%	4.5%	3.5%	4.8%
2002	2.7%	3.1%	5.3%	6.1%	4.7%	5.8%
2003	2.9%	3.1%	4.8%	5.6%	4.3%	6.0%

Sources: U.S. Bureau of Labor Statistics; NH Dept. of Employment Security, Bonz and Company, Inc..

Figure V-2. Employment in Concord, 1980 - 2030



Sources: NH Econ. and Labor Market Infor. Bureau; Bureau of Economic Analysis; Planning Decisions, Inc.

At this time, unemployment remains at a comparatively low rate of 3.1 percent, as compared to 4.9 and 5.3 percent in Hillsborough and Rockingham counties, respectively, and 4.3 percent and 6 percent in New Hampshire and the United States.

While Merrimack County's comparatively low unemployment reflects a healthy economic situation, its consistently tight condition also reflects an unfavorable labor market for large-scale employers seeking high volumes of low-cost labor.

D. EMPLOYMENT PROJECTIONS

By 2030, it is projected that the total number of jobs in Concord will reach 80,560. This represents an increase of more than 30,000 jobs between 2000 and 2030.

This projection is based on several trends:

- The migration of jobs from southern New Hampshire and Massachusetts will continue to grow. If the Interstate-93 widening from Salem to Manchester occurs, this migration of jobs towards central New Hampshire could expand at an even faster pace.

- Despite the rapid increase in Merrimack County's population between 1980 and 2000, the number of jobs available in the county has grown at a faster rate. The employment-to-population ratio has increased from 0.55 in 1980 to 0.66 in 2000 (Table V-8).

It is projected that the employment-to-population ratio will continue to grow, but at a slower rate. By 2030, this ratio will reach 0.79 as demographic changes allow more people to join the workforce and more employees commute into Merrimack County from towns to the north, east, and west for work.

Based on this trend, it is projected that the number of jobs available in Merrimack County will grow by more than 55,000 between 2000 and 2030.

- Concord will remain the employment center for Merrimack County, although its share of the county's total jobs will decline as surrounding communities become more attractive to employers and as the available space in Concord to locate new jobs becomes more limited. In 1980, the City of Concord accounted for 60% of the county's total jobs. By 2000, this had fallen to 56%.

Table V-8. Population and Employment for Merrimack County, 1980 - 2030

Year	Population	Employment	Employment-Population Ratio
1980	98,302	54,142	0.55
1990	120,005	72,930	0.61
2000	136,225	90,234	0.66
2010	155,300	110,600	0.71
2020	173,800	131,000	0.76
2030	192,500	152,000	0.79

Sources: NH Econ. and Labor Market Information Bureau, Bureau of Economic Analysis, Planning Decisions, Inc.

It is projected that this number will continue to decline in the future to 53%. Despite this decline, the number of jobs in Concord will increase by more than 60% between 2000 and 2030

Even though the share of the county's jobs in Concord will be declining, the number of jobs available in Concord is projected to grow at a faster rate than the city's population. The employment-to-population ratio increased from 1.06 in 1980 to 1.24 in 2000. By 2030, this ratio is projected to reach 1.50.

Table V-9. Population and Employment Projections for Concord

Year	Population	Employment	Employment-Population Ratio
1980	30,400	32,370	1.06
1990	36,006	41,680	1.16
2000	40,687	50,276	1.24
2010	45,134	60,830	1.35
2020	49,430	70,740	1.43
2030	53,577	80,560	1.50

Sources: NH Econ. and Labor Market Information Bureau, Bureau of Economic Analysis, Planning Decisions, Inc.

Employment projections for Concord are made more difficult by:

- Regional changes in job growth. This could affect the number of jobs available in Concord. The widening of Interstate-93 under consideration could increase the number of jobs available in the city.

- The difficulty of estimating the number of self-employed. This creates a challenge when determining a starting point for the projections. The Bureau of Economic and Labor Market Information estimates the number of self-employed for Merrimack County, but not for Concord. These estimates exclude several categories of employment that are could be common in Concord. The number of self-employed in Concord was allocated based on statistics provided by the Bureau of Economic Analysis at the US Department of Labor (Table V-10). The BEA statistics create a much more comprehensive picture of self-employment.

Table V-10. Measures of Concord's Self-employment

	Merrimack County	City of Concord
Covered Private Employment	60,834	30,955
Government Employment	15,648	11,652
Self-Employment (estimate)	13,752	7,669
Total Employment	90,234	50,276

Source: Labor Market Information Services, Bureau of Economic Analysis, Planning Decisions, Inc

- The lack of long term employment projections in New Hampshire. The longest projections for Merrimack County extend to 2010. Planning Decisions relies on projections of county, State, and national employment patterns as well as population projections to create its job growth projections.

The traffic modeling program for the Transportation Section (Section VI) required existing and projected employment data for each of 151 geographically defined Traffic Analysis Zones (TAZ's). The model input requirements call for existing and projected employment in each of six non-residential land use categories. The New Hampshire Economic and Labor Market Information Bureau's growth projections for Merrimack County were used to determine the amount of change likely for each of these land use categories, revealing that not all jobs in Concord are projected to grow at the same pace.

Based on these projections, the Low and High Commercial land use categories are projected to grow the most. Both of these land use categories are projected to nearly double and add more than 15,500 jobs to the community (Table V-11). The Industrial land use category is projected to grow the least, although 30% growth in this land use category still translates to nearly 5,000 additional jobs by 2030. Institutional jobs are projected to grow by 51% and add more than 6,000 jobs by 2030. Retail and hotel/motel jobs are projected to grow by more than 80%.

Table V-11. Employment Projections for Concord by Land Use Category

Land Use Category	2000	2010	2020	2030	% Change, '00 - '30
Low Commercial[1]	11,696	15,205	18,582	22,060	89%
Industrial	15,785	17,648	19,289	20,733	30%
Institutional	12,103	14,307	16,354	18,339	51%
High Commercial[2]	5,934	7,700	9,396	11,144	88%
Retail	4,521	5,668	6,753	7,856	74%
Hotel/Motel	237	302	366	428	81%
Total	50,276	60,830	70,740	80,560	60%

[1] Includes wholesaling, automotive sales, laundries, and drycleaning.
[2] Includes department stores, grocery stores, sporting goods, and commercial banking.
Source: Planning Decisions, Inc.

E. PROPERTY TAX BASE

1. Tax Revenues and Fiscal Condition

Property taxes typically account for 70 to 75 percent of the City's total revenues. Total tax revenues have increased from approximately $21 million in 1993 to $27.9 million in 2003; this represents an annualized growth rate of 2.9 percent annually.

General government expenditures have grown more rapidly than local tax revenues. During the same period that tax revenues grew by 2.9 percent annually, city expenditures have grown from $24 million to $37.4 million, increasing at an annual rate of 4.5 percent.

It should be noted that the City – by drawing upon other sources of revenue such as fees, charges for services, and intergovernmental transfers -- has consistently maintained total revenues in excess of total expenditures, and restrains its expenditures to fall within the limits of received revenues. Also, while tax revenues have grown at a 2.9 percent annual rate, the estimated actual value of the City's property tax base has increased at a much faster rate of 6.8 percent annually ($1.474 billion to $2.855 billion);[2] the City has lowered its levies so as to relieve existing taxpayers of undue increases in their tax burdens. Recent expense increases are attributable primarily to the following:

- General fund wages, which typically increase by roughly 5 to 6 percent annually, allowing for merit increases, staff additions (which have focused primarily on public safety positions), and cost-of-living increases;
- Health benefits, which have increased by as much as 25 percent in recent years; and
- Pension contributions, which have increased in recent years as pension portfolios have underperformed their obligations.

While the latter two expense categories may not continue to sustain recent rates of increase, other costs – capital costs and debt service obligations – may present future increases in the City's cost burdens.

Overall, while the City has demonstrated its ability to keep expenditures below its revenues, where cost increases consistently outpace property tax revenues, the City may have to rely on either tax rate increases or increased streams of non-tax revenues such as intergovernmental transfers, service charges, investment income and license and permit fees. In order to strengthen its ability to independently fund substantial public projects or meet other future cost increases, the City should take steps to enhance its property tax base. This will most likely require public measures designed to encourage new investments in property improvements.

2. Tax Base by Property Type

The City's property tax base (which excludes public, nonprofit and other tax-exempt properties) in 2004 amounted to approximately $3.4 billion in total assessed value (Table V-12). Residential uses account for 60 percent of this tax base; commercial/industrial uses account for 37 percent. This allocation is roughly consistent with other communities. New Hampshire cities such as Derry, Dover, Manchester, Nashua, Rochester and Salem all rely on residential properties for at least this share (60 to 75 percent) of their tax bases.

Table V-12. City of Concord Property Tax Base

	Value	% of Gross Valuation
Residential	$2,055,075,900	60.2%
Land	$640,151,200	18.7%
Buildings	$1,414,924,700	41.4%
Commercial/Industrial	$1,252,139,500	36.7%
Land	$388,714,900	11.4%
Buildings	$863,424,600	25.3%
Other (utilities, current use, etc.)	$107,876,300	3.2%
Total Gross Valuation	$3,415,091,700	100%

Sources: New Hampshire Dept. of Revenue, City of Concord 2004 Form MS-1; Bonz and Company, Inc.

[2] City of Concord Comprehensive Annual Financial Reports, 2002 and 2003, Statistical Section, Tables 6 and 14.

3. Net Revenue Gains: Residential vs. Commercial/Industrial

New single-family residential development typically fails to provide net revenue gains for the City. While residential development generates new tax revenues, these gains are usually offset by increased residential demands for infrastructure, education, public safety, recreation, and other public services. With Concord's exceptionally large land area, the infrastructure and service demands associated with sprawl could place excessive fiscal strain on the City. A summary of recent "cost of community service" studies in various New Hampshire communities illustrates that residential property taxes typically support less than 100 percent of their associated costs.[3] It should be noted however, that not all residential developments produce net fiscal losses. For example, some households – those without children living at home and those with children enrolled in private schools – do not require school services. Also, for sufficiently high-value homes, revenues can offset service costs even where residents include school-age children.

In order to enhance the City's net revenues – and its ability to fund its ongoing and increasing needs – the City must be able to attract either:

- Higher-priced residential development; and/or
- Multi-family residential development targeting senior households, empty-nester households, or other households with no school-age children; and/or
- Commercial/industrial development which is dependent on the City's ability to attract and retain businesses.

4. Commercial/Industrial Breakdown

Among commercial/industrial uses, the Tax Assessor's data show that office properties comprise the largest portion -- 15 percent -- of Concord's overall base.[4] This is followed by retail properties, which generate nearly 8 percent of the tax base. Among individual properties, retail properties represent the City's single largest tax payer as well as three of the ten most valuable properties: the City's Comprehensive Annual Financial Report (2003) shows that the Steeplegate Mall, WalMart, and Fort Eddy Plaza respectively comprise 2.46 percent, 1.13 percent, and .61 percent of the City's assessed value. Miscellaneous uses account for 4.3 percent of the tax base; industrial properties account for only 4.2 percent.

F. SUMMARY OF FISCAL AND ECONOMIC CONDITIONS

The following summarizes the key findings regarding Concord's prevailing economic and real estate conditions, and its overall competitive economic position.

1. Fiscal Conditions

Concord's general fund expenses have been increasing more rapidly than its real estate tax revenues. If this trend continues, the City will have to rely on increasingly burdened resident households and businesses and non-tax revenues (intergovernmental transfers, service charges, investment income, and license and permit fees). As an alternative, the City may seek new investments that expand its property tax base and therefore increase the community's wealth and the range and volume of its future investment options. Without an enhancement of the property tax base, attempts to enhance property tax revenues through tax rate increases would (1) compromise Concord's competitiveness as a business location, (2) raise the local cost of living, and (3) potentially discourage investments in residential developments and improvements. Thus, the City should seek to enhance its property tax base, either through new development, redevelopment, or a combination of the two.

Table V-13. Non-Residential Tax Revenues by Property Type

Use	% of total
Retail	7.8%
Office	15.0%
R&D	0.1%
Recreational	1.2%
Hotel	1.0%
Automotive	1.2%
Mixed-Use	2.8%
Miscellaneous[1]	4.3%
Industrial	4.2%
Transportation/Utility[2]	0.3%
TOTAL	38.3%

[1]Includes funeral homes, nursing homes, homes for the aged, clubs/lodges, country clubs, auditoriums.
[2]Includes truck terminals, airport uses, telecommunications facilities.
Sources: City of Concord Assessor's Office; Bonz and Company, Inc

2. Economic Conditions

The City of Concord and Merrimack County have achieved healthy employment growth over both short- and long-term time frames. This growth has increasingly shifted the local economy from a manufacturing-based economy to an increasingly professional, service-oriented economy. State government, finance/insurance, education and health services, and arts/entertainment/recreational services represent significant areas of employment concentration and potential growth. These sectors – along with retail trade -- continue to represent Concord's strengths, and its primary engines for future growth.

3. Employment

The City has consistently maintained a low unemployment rate. Therefore, while some communities focus on new job creation as their primary objectives, this need not be the primary objective in Concord. Moreover, in seeking to recruit large employers, Concord's low labor availability would place it at a comparative disadvantage to other communities.

4. Niches and Recruitment

While Concord does feature concentrations in some industry niches (health care, printing, retail), no specific private industry niche presents an historical, "natural" or emerging target for business recruitment. The City's existing educational resources, however, may be able to develop programs (including jointly administered programs) and other specific or general resources that could enhance the City's business recruitment prospects.

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[3] From the American Farmland Trust, as cited by Bonz and Company, Inc
[4] The office uses listed in the Assessor files may include some State and other tax-exempt properties

5. Specialized Niches

Specialized industry niches such as high technology (electronic) or biotechnology may offer growth potential, but while Concord may attract small companies, the City's labor market and location (disadvantaged relative to Manchester, Portsmouth and Nashua) limits its ability to attract large-scale manufacturing facilities. At the same time, Concord does not offer access to the academic or research institutions that offer the preferred locations for technological research-oriented developments.

6. Real Estate Markets

In the short-term future, retail development offers the strongest area of opportunity for new real estate development or redevelopment. Medical offices and other health care-related developments offer additional opportunities. Aside from medical niches, office markets are currently weak and of limited depth, but should offer opportunities in the future. Industrial markets may offer opportunities as existing companies grow, but this sector offers only limited opportunities for large-scale development over long-term as well as the short-term time frames.

7. Economic Climate Factors

Concord maintains important assets, including its strategic location, its quality-of-life amenities and its highly skilled labor force. At the same time, it faces challenges involving competition with nearby communities offering larger and more manufacturing-based labor forces. Concord also faces internal issues regarding its commercial/industrial supply as well as its regulatory environment.

The economic future of the City is envisioned as one that rests upon:

- Concord's strongest assets, which are derived from its strategic location, its highly educated demographic profile, and its open space, cultural, recreational and other quality of life amenities *rather than* factors involving costs of business, financial incentives, or access to large labor pools -- in which other nearby communities maintain competitive advantages.

- A diverse range of educated and creative businesses, workers and residents that share common interests in Concord's increasing array of community recreational and cultural amenities *rather than* narrowly defined industry niches for which Concord offers no clear advantage, and which may not be compatible with the City's existing profile.

- Nurturing, growth and accommodation of businesses that originated in or sought locations in Concord, and which attract individual workers seeking high-quality working and living environments, *rather than* the recruitment of large-scale employers, many of which will seek financial incentives, inexpensive land, inexpensive (production-oriented rather than professional service-oriented) labor, investments in job training and labor development programs, and other such public investments.

- The efficient use and reuse of underutilized urban areas, re-oriented to accommodate current economic opportunities, *rather than* the ongoing development of increasingly finite and remote open land areas.

- The maintenance of communications with post-secondary educational institutions in Concord and in the Concord region, as these represent the City's strongest prospects for the substantial expansion and/or creation of programs, enrollment, and facilities, or for the relocation of an existing institution to a new location in the City.

G. ECONOMIC DEVELOPMENT POLICIES & RECOMMENDATIONS

1. Policies

a. Promote the redevelopment of the Opportunity Corridor and the Downtowns of Concord and Penacook as the highest priority economic development initiative with the greatest potential return to the tax base of the City.

b. Maintain Concord's position as the regional center for jobs, goods and services, as well as culture and amenities.

c. Focus the City's business development efforts on business retention and the nurturing of growing local businesses, instead of on large-scale corporate recruitment.

d. Creation of new jobs is not a primary objective for the City's economic development, as the City has consistently maintained a low unemployment rate.

e. Enhance the property tax base, through the most fiscally productive forms of new development and redevelopment.

f. Build organizational capacity including the use of public-private partnerships to leverage Concord's investments in economic development.

g. Create and expand quality of life amenities for both the economic as well as cultural benefits to the City.

h. Cultivate reserve areas for new land development for future economic development purposes, with particular attention to Garvins Falls, which should be the focus of a unified, comprehensively planned development that maximizes its economic and tax base benefits to the City.

i. Improve the regional transportation network, including expansion of opportunities for alternative transportation modes, by working with the Central New Hampshire Regional Planning Commission and the New Hampshire Department of Transportation to ensure that access to the jobs, goods, services, and amenities in Concord remain accessible to the rest of the region.

j. Provide appropriate land use planning to support economic development, encompassing a broad range of economic activities that provide employment opportunities, facilitate necessary services, and make goods available to the citizenry, as well as expand the tax base of the City.

k. Ensure consistency of land development and redevelopment for economic purposes with the goals and policies of other sections of this Master Plan including the Land Use, Conservation and Open Space, and Historic Resources Sections.

l. Assume a leadership role in initiating regional discussions, forming cooperative arrangements, and ultimately fostering creative solutions to the regional issue of promoting appropriate workforce housing.

m. Review existing architectural and appearance guidelines for buildings and sites, and to develop specific guidelines for non-residential and mixed use areas, which are tailored to the particular character of these areas, and address the level of incompatibility between prospective adjacent land uses and the need for appropriate buffering.

n. Improve the appearance and the quality of development at the entrances to the City from the Interstate Highways and major arterial roadways.

2. Recommendations

a. Expansion of the Tax Base

Seek the most fiscally productive forms of redevelopment and new development including the following:

- Commercial/industrial development
- Professional services (legal, accounting, and similar occupations)
- Medical/health care development
- Appropriately scaled retail development for downtown Concord and Penacook
- High-end residential development
- County, State, and Federal Government employment development
- Multi-family residential development
- Telecommunications / internet / fiber optics / video conferencing

b. Quality of Life

Pursue quality of life amenities whereas these play an important role in attracting highly-skilled labor and professional businesses, thus driving high-quality development and redevelopment opportunities and enhancing the City's tax base. To that end, the City should pursue the following:

i. Trail Linkages: Continue to create linked trail systems and greenways for recreation and wildlife, thereby creating a community amenity that would be accessible for and recognized by residents, visitors, and businesses. Of particular interest are pedestrian and bicycle linkages between Downtown and the Merrimack River, as well as between rural open space areas and neighborhoods.

ii. Cultural/Arts Plan: Pursue a community arts and cultural plan. Improved arts and cultural programming and promotions could enhance Concord's overall quality of life, and the City's ability to incorporate such programs and amenities can help it attract and retain creative individuals, businesses and visitors. Plan components would emphasize (1) a public articulation of the community's embrace of its cultural identify, (2) broader participation among potential as well as existing participants in cultural activities by enhancing public access and awareness for arts/cultural activities; and (3) assistance (possibly through a small business assistance program) to local arts/culturally-oriented nonprofit organizations.

c. Redevelopment

i. Direct the City's primary economic development focus toward redevelopment of previously developed areas. Investments should focus on the reuse and upgrading of older, developed properties without incurring the higher costs for infrastructure extensions.

ii. Give the highest priority to the redevelopment of the Opportunity Corridor and Downtown for reinvestment in the City's tax base. The City should:

- Create incentives for redevelopment activities.

- After exploring prospective sources of capital and other issues necessary for successful implementation of its purposes, create an independent Redevelopment Authority designated to facilitate property assembly and redevelopment activities in the Opportunity Corridor and possibly other geographic areas. Any newly created Redevelopment Authority should act as facilitator to help create partnerships between conservation and development interests in "smart growth" projects.

- "Land bank" properties for future redevelopment opportunities.

d. Business Incubator/Assistance Program

In pursuing internal business growth, designate a local public office or partner with a (nonprofit) agency to serve as (1) a business incubator and (2) a resource center for local small businesses (or larger businesses embarking on new ventures).[5] For many prospective businesses, business assistance services rather than real estate facilities often address a critical need. Such a new agency should extend its service programs to encompass nonprofit agencies as well as real estate developers/investors.

e. Regulatory Changes

i. Provide proactive developer guidance through business assistance programs or existing agencies, to help developers to understand and prepare for the City's regulatory processes.

ii. Provide incentives for redevelopment, as opposed to new development, including relief from fees, density bonuses, and other forms of relief.

iii. Vary architectural and design regulations by neighborhood, as each neighborhood has its own distinct characteristics and development history.

iv. Adopt the International Building Code. This national code has built-in allowances and trade-offs to encourage the reuse of existing structures while still meeting the intent of the overall code.

v. In order to encourage reinvestment rather than disinvestment in older industrial buildings with declining prospects for industrial tenants, revise the required minimum development standards for office uses in industrial zones. The City should continue to require that new office buildings in industrial areas be built as two story buildings, while allowing existing buildings to be converted to office use without having to add additional stories.

vi. Re-evaluate the City's building height limitations in Downtown Concord and Opportunity Concord by performing a "viewshed" analysis, employing computer modeling to determine what building heights could be achieved on new structures without conflicting with the truly valued views of the State House Dome within the "Opportunity Corridor" and along I-93.

vii. Re-evaluate the City's parking requirements for various land uses to determine if a lesser standard can be employed, thereby creating opportunity for more taxable development. Explore alternatives to automobile usage that will curtail expansion of parking demand and need for parking facilities such as ride sharing programs, mass transit, park and ride facilities.

f. Cultivate Alternative Locations for High-Value Business Park Development

Notwithstanding the primary focus on redevelopment rather than new development, prepare to accommodate new high-end office development that may seek locations outside of the Opportunity Corridor's urban setting.

i. In seeking underdeveloped land areas offering visibility and access to infrastructure, target land areas such as those near I-393 and near I-93 in the Penacook area.

ii. Continue to plan for the development of Garvins Falls in a comprehensive manner including the creation of improved access to the Garvins Falls and preemptive regulatory actions to maintain the area's future high-end capacity for such time as the new access become available.

g. Educational Initiatives

i. Attract or promote the creation of a four year college with a residential campus and designate appropriate land areas for the development of the same.

ii. Encourage local secondary educational facilities to tailor curriculum and programs which are oriented to serve local businesses and industries.

h. Visual Improvements to Gateways

Invest in quality visual improvements and perpetual maintenance that enhance the visitor's experience at the major gateway entries to the City including the areas adjacent to the exits from Interstate 93 and 89 into the City.

[5] Such agency would assist only local, Concord-based businesses and would supplement – and provide information relevant to – the existing State and federal programs providing various forms of assistance to small businesses.

H. SUPPORTING STUDIES

An Economic Development Strategy, City of Concord, NH, Northern Economic Planners and LandUse, Inc., January, 1993.

City of Concord Master Plan Year 2010 Update, Concord Planning Board & Concord Planning Department, Concord, NH; December 15, 1993.

Concord Master Plan Community Survey, prepared by The NorthMark Group, 2004.

Concord, N.H. Southern Opportunity Corridor, Terrence DeWan & Associates, December 19, 2006.

Concord Opportunity Corridor Master Plan, prepared for the City of Concord by the Cecil Group, Inc., with Rizzo Associates, Bluestone Planning Group, and Bonz and Company, March 2006.

Economic Development and Tax Base Expansion Plan for the City of Concord, NH, prepared by Bonz and Company, Inc., 2005

Economic Development Strategy and Implementation Plan for the City of Concord, NH, RKG Associates; Durham NH; 1998.

Garvins Falls Urban Reserve Area Development Feasibility Study, Northern Economic Planners, 1996.

Growth and Change: an Analysis of Concord, NH, prepared by Planning Decisions Inc., 2004.